



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 9/29/2003

GAIN Report Number: PL3034

Poland

Sugar

Semi-Annual

2003

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Report Highlights:

This year's weather conditions for sugar beet and sugar production were better than estimated in our previous report. Sugar production has been revised up 8.7 percent, to over 2 MMT and the sugar export forecast has been increased to 0.4 MMT.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Semi-Annual Report
Warsaw [PL1]
[PL]

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Executive Summary

This year's sugar beet acreage is about 300,000 hectares, almost the same as in 2002. This year's dry weather did affect most crops, the dry weather conditions early in the season promoted good sugar beet rooting and consequently a good sugar beet yield. Generally, sugar beet crop conditions are considered good.

The official government Main Statistics Office estimates this year's sugar beet yield at 40 tons per hectare and a total crop of 12 MMT, while the National Sugar Beet Producers Association estimate is more optimistic at over 42 tons per hectare and a total crop of 12.8 MMT. We consider the industry estimate to be more accurate as it is done immediately prior to the harvest, on the other hand GUS estimates are done earlier in the season.

This year's weather was favorable for high sugar concentration in beets. The reported sugar content averages between 17.0 – 17.5 percent, almost one percentage point higher than last year's sugar content level. Such crop conditions should result in total sugar production of more than 2.0 MMT of raw sugar (1.9 MMT white sugar) according to the National Sugar Beet Producers Association.

We increased our sugar production estimate for the 2003/04 season 8.7 percent to 2.07 MMT. This estimated production level is significantly higher than the 1.8 MMT raw sugar production quotas (A, for domestic use and B, for export) agreed to by the EU and supported by the national program. Based on the increased production, the sugar export forecast has been increased to over 0.4 MMT of which about 3/4 will be exported without subsidies.

This year's sugar beet processing will start somewhat earlier than last year. In Wielkopolska province, a German owned sugar refinery will start processing in late September. However, most of the refineries are scheduled to start in early October.

To reduce the cost of sugar beet processing, companies prefer to close some less efficient refineries and use their sugar production allocations in more efficient refineries. At this point about 20 refineries will be eliminated from processing due to industry restructuring. For example British Sugar Overseas will close 5 refineries (in Michalowice, Ciechanow, Guzow, Ketrzyn and Swiecie, in addition, it is likely that Peplin will be closed next year). The German company Nordzucker will close 3 refineries (in Melno, Szamotuly and Wschowa), the German company Sudzucker will eliminate a refinery in Wlostawo and two more next year (in Garbow and Przeworsk) and the German company Pfeifer und Langen will eliminate 3 refineries (in Gniezno, Witaszyce and Garbow) and possibly refineries in Zduny and Zbiersk. The French company Saint Louis Sucre will eliminate 4 refineries (in Ziebice, Pastuchow, Baborowo and in Wielun) and Krajowa Spółka Cukrowa (Polish Sugar Company) will eliminate 3 refineries (in Rejowiec, Pruszcz Gdanski and possibly in Szczecin).

The Polish Sugar Company (created in August 1992, consists of 26 sugar refineries with 600,000 tons of white sugar quota allocation and 37 percent of the market share) has some organizational and financial problems as it operates too many refineries compared to its production quotas, which result in higher processing costs. To date the company has not decided which of the refineries will be eliminated for this processing season.

The revised sugar beet and centrifugal sugar PSD tables follow. MY 2003/04 revisions were made due to the above described factors. A small change was also made to the MY 2001/02 sugar beet, sugar production, and sugar domestic use estimates based on the latest official revisions.

Sugar Beets PS&D Table

PSD Table							
Country	Poland						
Commodity	Sugar Beets				(1000 HA)(1000 MT)		
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		09/2001		09/2002		09/2003	MM/YYYY
Area Planted	317	317	303	303	290	300	(1000 HA)
Area Harvested	317	317	303	300	290	300	(1000 HA)
Production	11364	11364	11700	13400	10500	12800	(1000 MT)
TOTAL SUPPLY	11364	11364	11700	13400	10500	12800	(1000 MT)
Utilization for Sugar	11364	11364	11700	13400	10500	12800	(1000 MT)
Utilizatn for Alcohol	0	0	0	0	0	0	(1000 MT)
TOTAL UTILIZATION	11364	11364	11700	13400	10500	12800	(1000 MT)

Centrifugal Sugar PS&D Table

PSD Table							
Country	Poland						
Commodity	Centrifugal Sugar				(1000 MT)		
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		09/2001		09/2002		09/2003	MM/YYYY
Beginning Stocks	256	256	238	238	337	355	(1000 MT)
Beet Sugar Production	1674	1674	2250	2194	1900	2065	(1000 MT)
Cane Sugar Production	0	0	0	0	0	0	(1000 MT)
TOTAL Sugar Production	1674	1674	2250	2194	1900	2065	(1000 MT)
Raw Imports	13	13	0	0	0	0	(1000 MT)
Refined Imp.(Raw Val)	84	84	85	85	85	55	(1000 MT)
TOTAL Imports	97	97	85	85	85	55	(1000 MT)
TOTAL SUPPLY	2027	2027	2573	2517	2322	2475	(1000 MT)
Raw Exports	0	0	0	0	0	0	(1000 MT)
Refined Exp.(Raw Val)	61	61	500	434	350	435	(1000 MT)
TOTAL EXPORTS	61	61	500	434	350	435	(1000 MT)
Human Dom. Consumption	1712	1712	1720	1712	1720	1720	(1000 MT)
Other Disappearance	16	16	16	16	16	16	(1000 MT)
Total Disappearance	1728	1728	1736	1728	1736	1736	(1000 MT)
Ending Stocks	238	238	337	355	236	304	(1000 MT)
TOTAL DISTRIBUTION	2027	2027	2573	2517	2322	2475	(1000 MT)